COPY

Berlin, Germany
28 July 1947

SUBJECT: Allocation of Imported Materials to Cartel Organizations.

TO : Chief, Economics Branch
Office of Military Government for Berlin Sector,
APO 742-A, U. S. Army

Attention: Mr. A. W. Moran

1. The prohibition on the use of certain cartel firms referred to in your memorandum of 14 July did not originate with the War Department, but rather with General Clay himself. Its purpose was to avoid any possibility of criticism of OMGUS for borrowing money from U. S. C. C. in order to expand the export business of the former cartels which have not yet been reorganized.

2. You should therefore have any export programs submitted by the firms listed handled under our normal JEIA procedure and should not attempt to bring them within the scope of the U. S. C. C. programs. This should in no way hamper your activities, and if you find that you are having any difficulties, please let us know.

L. WILKINSON
Director

Tel: Berlin 42683

CC: Mr. R. J. Bullock, JEIA

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OFFICE OF MILITARY GOVERNMENT FOR GERMANY (US)
ECONOMICS DIVISION
Decartelization Branch

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21 July 1947

MEMORANDUM

SUBJECT: Allocation of Import Materials to Cartel Firms.

TO : Col. L. Wilkinson, Director, Economics Division.

In reference to carrier sheet dated 14 July 1947 to OMGUS Economics Division from OMGBS, Economics Branch, on above subject, it should first be noted that the cable of 30 November is an OMGUS cable to the field. The War Department cable AGO IN 41130, dated 11 November 1946, is probably the cable in question. The Decartelization Branch, Economics Division, is strongly against sending the "proposed cable to War Department" on the grounds that

(a) The firms listed in the cable of 30 November 1946 have not as yet brought themselves within the provisions of Law 56.

(b) The cable of 30 November 1946 requests advice as to which firms are particularly desired for export program so priority may be given to their reorganization. No such priority list has been submitted to Decartelization Branch although the offer is still open.

(c) Since Berlin Sector as such is not included within Law 56, the cable of 11 November 1946 and the others in the series are necessary as an aid in effectuating the Decartelization program in the Sector.

(d) The carrier sheet refers to "contradictory directives" which hamper the export-import program. We would like to know specifically which directives contradict each other as we are under the impression that the Decartelization program and the export-import program have been working in unison.

Suggestion - If Economics Branch, OMGBS, will inform Decartelization Branch, ECON, which firms are confused as to their status we shall be pleased to give said firms priority for reorganization and then clearance under Law 56

/s/ C. H. Collison

/t/ C. H. COLLISON
Acting Chief
Decartelization Branch

Tel: 42379
Room 21, Bldg. G

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OFFICE OF MILITARY GOVERNMENT FOR GERMANY (U.S.)
APO 742

SUBJECT: Allocation of Import Materials to Cartel Firms.

1.	OMGUS ED	OMGBS Econ Br	14 July 47	1. Reference is made to OMGUS cable CC-7186, 30 November 1946, subject as above, copy attached, which excludes certain firms from export-import programs being developed for USCC financing.

2. A letter from the Joint Export-Import Agency (US/UK), dated 12 May 1947, subject "Decartelization Aspects of Export-Import Program" quoting a directive from Economics Division, OMGUS, directs branch offices to comply with regulations of cable noted in par 1 above and with Military Government Law No. 56.

3. It appears to this office that proclamation of Public Law No. 56, 12 February 1947, supersedes cable referred to in par 1. General and specific provisions have now been established to prevent excessive concentrations of German economic power, and reorganization of cartel firms has been undertaken under supervision of Decartelization Branch, OMGUS. Exclusion of specific firms from USCC financed export-import programs appears now to be a matter of review by that branch.

4. A number of Berlin Sector firms are listed in cable referred to above. The confusion inherent in the existence of contradictory directives hampers the proper channelling of export-import programs being developed for them. This office suggests dispatch of attached cable to War Department to eliminate this confusion.

A. M. MORAN
Chief, Economics Branch

2 Incls:
1. Cy OMGUS cable CC 7186 of 30 Nov 46
2. suggested cable to War Dept.

cc. JEIA Melitta House, Minden
Attn: Mr. R. J. Bullock

Phone: BERLIN 42-918
OLS/hr

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CMGUS Cable CC-7186 of 30 November 1946.

Allocation of imported materials to Cartel firms is subject. Because of their internationally recognized Cartel connections, firms on following list should not be allocated materials imported with USCC funds nor included in such programs now being prepared by Special Commissioner for interzonal and foreign trade. These firms may be admitted to export program only after proper reorganization and decartelization. Because this list is subject to revision and possible additions do not desire its publication or dissemination at this time except to extent necessary to exclude these firms from export-import programs being developed for USCC financing. Please advise in due course which of these particularly desired for such programs because of lack of suitable alternate facilities so priority may be given to their reorganization.

1. Vereinigte Stahlwerke AG.,
2. Friedrich Krupp,
3. AG. Reichswerke Hermann Goring,
4. Friedrich Flick KG.,
5. Haniel Group (Gutehoffnungshutte, including MAN),
6. Mannesmannrohrenwerke AG.,
7. Klockner Werke AG.,
8. Otto Wolff KG.,
9. ARBED Group in Germany (Felten and Guilleaume and Eschweiler Bergwerke)
10. Rochling Group (Rochlingsche Eisen und Stahlwerke GmbH.),
11. Schering AG.,
12. Wintershall AG.,
13. Kali-Chemie AG.,
14. Degussa,
15. Metallgesellschaft AG.,
16. Deutsche Solvay-Werke AG.,
17. AEG (including Osram and Telefunken),
18. Siemens und Halske AG.,
19. Robert Bosch GmbH.,
20. IT and T Group (C.Lorenz, Standard Elektrizitats,) (Mix und Genest)
21. Gunther Quandt Group (AG. Fuer Industriebeteiligungen and Accumulatoren-fabrik)
22. VIAG (Vereinigte Industrieunternehmungen AG including Vereinigte Aluminum Werke AG.)
23. Rheinmetall-Borsig AG.
24. Vereinigte Glanzstoff-Fabriken AG.,
25. Christian Dierig AG.,
26. Phrix Gesellschaft MbH.,
27. Zellstoff Fabrik Waldhof,
28. Carl Zeiss,
29. Deutsche Continental Gas-Gesellschaft (includes Askania Werke AG)

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11 July 1947

Proposed Cable to War Department

Subject is export-import aspects of decartelization of German firms. Paren CMGUS signed Keating unparen. Proclamation of Public Law 56 establishes control agencies for all aspects of decartelization. Previous cables on this subject appear to be superseded. Request therefore recission of cable W 85209, 11 November, subject as above.

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